

There has been a consent order entered with respect to the Portland Harbor Superfund Site with many of the potentially responsible parties, but neither Crawford nor our client is a party to that agreement. Accordingly, the DEQ and the EPA could still come after the owner of the Crawford Property.

With respect to the Crawford property, pursuant to an Expanded Preliminary Assessment Crawford voluntarily implemented a plan to remove black sand that contained elevated levels of contaminants from the bluff and the beach. They also had ground water monitoring points.

The ground water results and removal of sand from the bluff were fine. However, when they removed the sand from the beach and got down to clay they sampled the new surface. Unfortunately the post removal levels of contaminants in some cases were higher than they started with.

At that point the work stopped for three reasons:

- (1) the beach is EPA domain, not state. Accordingly DEQ has not been pressuring for any action but instead is deferring the EPA.
- (2) it is unclear what to do to remediate the area. It is unknown why levels were higher after the black sand was removed, it is not clear what the benefit would be for removing additional materials, and there is no idea of the extent of the materials that would need to be removed.
- (3) DEQ had offered an option to Crawford that would not be a no further action letter but required additional work to be done, and Crawford did not respond.

I suggest we first get a sense for EPA's opinion and plans for this property. I have called Chip Humphrey and Eric Blischke at EPA to discuss this matter with them. If they have any materials on this matter I will obtain and review those materials.

Second, I would advise that our client update the Environmental Status Letter dated November 29, 2000 from David Samples at Evergreen Environmental Management, Inc. The update is needed to take into account the removal of the black sand, the levels of contaminants on the beach after the removal of the black sand, and to update his opinion about the advisability of purchasing the land given the now known facts and circumstances.

Please advise if you have any questions.

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